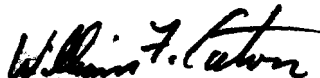


51. IT IS FURTHER ORDERED that the decisions and rules adopted herein SHALL BE EFFECTIVE thirty (30) days after publication of this Order on Reconsideration, or a summary thereof, in the Federal Register, except for information collection and reporting requirements, the effectiveness of which are contingent upon approval of the Office of Management and Budget.

FEDERAL COMMUNICATIONS COMMISSION


William F. Caton
Acting Secretary

APPENDIX A

AMENDMENTS TO THE CODE OF FEDERAL REGULATION

Title 47 of the CFR, Part 61 is amended as follows:

PART 61 -- TARIFFS

1. The authority citation for Part 61 continues to read as follows:

AUTHORITY: Secs. 1, 4(i), 4(j), 201-205, and 403 of the Communications Act of 1934, as amended; 47 U.S.C. 151, 154(i), 154(j), 210-205, and 403, unless otherwise noted.

2. Section 61.39 is amended by revising paragraphs (3) and (4); to read as follows:

§ 61.39 Optional supporting information to be submitted with letters of transmittal for Access Tariff filings effective on or after April 1, 1989, by local exchange carriers serving 50,000 or fewer access lines in a given study area that are described as subset 3 carriers in Sec. 69.602.

* * * * *

(3) For a tariff change, a local exchange carrier that is a cost schedule carrier must propose Common Line rates based on the following:

(i) For the first biennial filing, the common line revenue requirement shall be determined by a cost of service study for the most recent 12-month period. Subscriber line charges shall be based on cost and demand data for the same period. Carrier common line rates shall be determined by the following formula:

$$\frac{CCL Rev Req}{CCL MOU_b * (1 + h/2)^2}$$

where:

$$h = \frac{CCL MOU_1}{CCL MOU_0} - 1$$

and where:

CCL Rev Req = carrier common line revenue requirement for the most recent 12-

month period;

$CCL\ MOU_b$ = carrier common line minutes of use for the most recent 12-month period;

$CCL\ MOU_1 = CCL\ MOU_b$; and

$CCL\ MOU_0$ = carrier common line minutes of use for the 12-month period preceding the most recent 12-month period.

(ii) For subsequent biennial filings, the common line revenue requirement shall be determined by a cost of service study for the most recent 24-month period. Subscriber line charges shall be based on cost and demand data for the same period. Carrier common line rates shall be determined by the following formula:

$$\frac{CCL\ Rev\ Req}{CCL\ MOU_b * (1 + h/2)^{5/2}}$$

where:

$$h = \frac{CCL\ MOU_1}{CCL\ MOU_0} - 1$$

and where:

$CCL\ Rev\ Req$ = carrier common line revenue requirement for the most recent 24-month period;

$CCL\ MOU_b$ = carrier common line minutes of use for the most recent 24-month period;

$CCL\ MOU_1$ = carrier common line minutes of use for the most recent 12-month period; and

$CCL\ MOU_0$ = carrier common line minutes of use for the 12-month period preceding the most recent 12-month period.

(4) For a tariff change, a local exchange carrier that has been an average schedule carrier must propose common line rates based on the following:

(i) For the first biennial filing, the common line revenue requirement shall be determined by the local exchange carrier's most recent annual Common Line settlement from the National Exchange Carrier Association. Subscriber line charges shall be based on cost and demand data for the same period. Carrier common line rates shall be determined by the following formula:

$$\frac{CCL Rev Req}{CCL MOU_b * (1 + h/2)^2}$$

where:

$$h = \frac{CCL MOU_1}{CCL MOU_0} - 1$$

and where:

CCL Rev Req = carrier common line settlement for the most recent 12-month period;

CCL MOU_b = carrier common line minutes of use for the most recent 12-month period;

CCL MOU₁ = *CCL MOU_b*; and

CCL MOU₀ = carrier common line minutes of use for the 12-month period preceding the most recent 12-month period.

(ii) For subsequent biennial filings, the common line revenue requirement shall be an amount calculated to reflect the average schedule pool settlements the carrier would have received if the carrier had continued to participate in the carrier common line pool, based upon the average schedule Common Line formulas developed by the National Exchange Carrier Association for the most recent 24-month period. Subscriber line charges shall be based on cost and demand data for the same period. Carrier common line rates shall be determined by the following formula:

$$\frac{CCL Rev Req}{CCL MOU_b * (1 + h/2)^{5/2}}$$

where:

$$h = \frac{CCL\ MOU_1}{CCL\ MOU_0} - 1$$

and where:

CCL Rev Req = carrier common line settlement for the most recent 24-month period;

CCL MOU_b = carrier common line minutes of use for the most recent 24-month period;

CCL MOU₁ = carrier common line minutes of use for the most recent 12-month period; and

CCL MOU₀ = carrier common line minutes of use for the 12-month period preceding the most recent 12-month period.

* * * * *

3. Section 61.50 is amended by revising paragraphs (h)(1), (k) and (l) and adding paragraphs (h)(3) and (i)(3) to read as follows:

§ 61.50 Optional incentive regulation for rate of return local exchange carriers.

(h)(1) In connection with any optional incentive plan tariff filing proposing rate changes, the carrier must calculate an index for each affected basket as determined by the Common Carrier Bureau.

* * * * *

(h)(3) Local exchange carriers subject to this section shall file tariff revisions that reflect rate changes due to exogenous costs, as defined in § 61.45(d)(1), either in the biennial tariff filing or at the time the event causing the exogenous costs occurs during the two-year tariff period.

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(i)(3) All filings for new services other than those described in paragraph (i) shall be supported using prospective data, as required by § 61.38 of these rules.

* * * * *

(k) For a tariff change, a local exchange carrier that is a cost schedule carrier must propose Common Line rates based on the following:

(1) For the first biennial filing, the common line revenue requirement shall be determined by a cost of service study for the most recent 12-month period. Subscriber line charges shall be based on cost and demand data for the same period. Carrier common line rates shall be determined by the following formula:

$$\frac{CCL Rev Req}{CCL MOU_b * (1 + h/2)^2}$$

where:

$$h = \frac{CCL MOU_1}{CCL MOU_0} - 1$$

and where:

CCL Rev Req = carrier common line revenue requirement for the most recent 12-month period;

CCL MOU_b = carrier common line minutes of use for the most recent 12-month period;

CCL MOU₁ = *CCL MOU_b*; and

CCL MOU₀ = carrier common line minutes of use for the 12-month period preceding the most recent 12-month period.

(2) For subsequent biennial filings, the common line revenue requirement shall be determined by a cost of service study for the most recent 24-month period. Subscriber line charges shall be based on cost and demand data for the same period. Carrier common line rates shall be determined by the following formula:

$$\frac{CCL Rev Req}{CCL MOU_b * (1 + h/2)^{3/2}}$$

where:

$$h = \frac{CCL\ MOU_1}{CCL\ MOU_0} - 1$$

and where:

CCL Rev Req = carrier common line revenue requirement for the most recent 24-month period;

CCL MOU₀ = carrier common line minutes of use for the most recent 24-month period;

CCL MOU₁ = carrier common line minutes of use for the most recent 12-month period; and

CCL MOU₀ = carrier common line minutes of use for the 12-month period preceding the most recent 12-month period.

(3) For End User Common Line charges included in a tariff pursuant to this section, the local exchange carrier must provide supporting information for the two-year historical period with its letter of transmittal in accordance with § 61.38.

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PART 69 -- ACCESS CHARGES

1. The authority citation for part 69 continues to read as follows:

AUTHORITY: Secs. 4, 201, 203, 205, 216, 218, 403, 48 Stat. 1066, 1070, 1072, 1077, 1094, as amended, 47 U.S.C. §§ 154, 201, 202, 203, 205, 218, 403.

2. Section 69.3 is amended by revising paragraph (b) to read as follows:

§ 69.3 Filing of access service tariffs.

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(b) The requirements imposed by paragraph (a) of this section shall not preclude the filing of revision to such tariffs that will become effective on dates other than July 1.

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